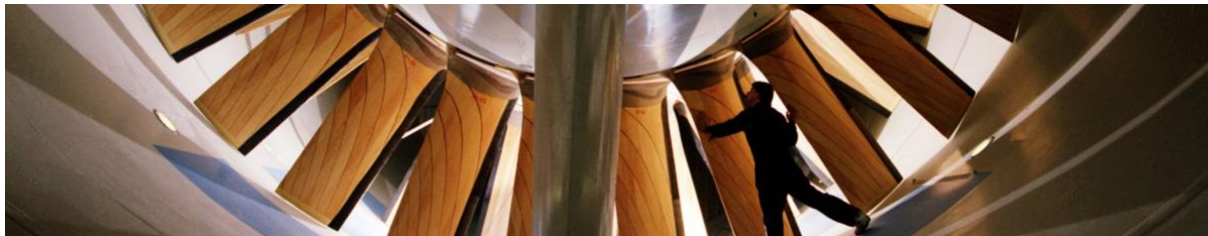


Suppose an organisation could focus on maximising happiness for customers and employees, rather than maximising share price and the dividend, what would that organisation look like and how could it make this a virtue?

This article was produced using AI tool Notion AI, and is one of a series we are developing (see: [What does FCA's Consumer Duty mean for NEDs?](#)). The article was generated by posing the initial question, and a number of follow-up questions, as shown in the text; otherwise, no changes have been made to the text, even to correct the- what I consider annoying- ubiquitous spelling of words with z's rather than s. If you have any comments, please contact the human collaborator, martin@financialmutuals.org.



Introduction

An organization that prioritizes the happiness of its customers and employees over profits would look vastly different from the traditional corporate model that prioritizes profit maximization. Such an organization would focus on creating a positive and supportive work environment that fosters employee satisfaction and well-being. This could involve offering competitive salaries and benefits, opportunities for career development and growth, and a culture that values employee input and feedback.

Additionally, the organization would prioritize customer satisfaction and loyalty by creating products and services that meet their needs and desires. To achieve this, the organization would need to invest in research and development to better understand the changing needs of its customers, and adjust its offerings accordingly. Furthermore, the organization would prioritize ethical and sustainable business practices that benefit both the environment and society.

To make happiness a virtue within the organization, it would need to communicate its values and commitment to customers and employees through its branding and marketing efforts. This could involve highlighting its unique approach to business and the benefits that come with it. The organization could also create content that showcases its happy employees and satisfied customers to help build a positive reputation in the market.

Overall, prioritizing happiness for customers and employees over profits would require a significant shift in priorities and values within an organization. However, the benefits of such an approach can be significant, including increased employee and customer loyalty, a more positive reputation, and a positive impact on the environment and society.

[Are there any pitfalls in prioritising happiness over profit?](#)

There are potential pitfalls to prioritizing happiness for customers and employees over profits. For example, an organization that prioritizes employee satisfaction over profits may struggle to remain competitive in the market, particularly if its competitors are prioritizing profit maximization. Additionally, an organization that prioritizes customer satisfaction over profits may struggle to generate the revenue necessary to sustain its operations.

However, it is important to note that prioritizing happiness for customers and employees does not necessarily mean sacrificing profits altogether. In fact, there is evidence to suggest that happy employees and satisfied customers can lead to increased profitability in the long run. Therefore, it may be possible to find a balance between prioritizing happiness and generating profits, rather than viewing the two as mutually exclusive goals.

[What examples are there of UK organisations that prioritise happiness?](#)

There are several examples of UK organisations that prioritize happiness for customers and employees. Here are a few:

1. John Lewis Partnership: This employee-owned company is known for its commitment to its employees, who are called "partners." The company offers a profit-sharing program and a say in how the company is run. In addition, the company is known for its excellent customer service, which is a result of its focus on employee satisfaction.
2. Innocent Drinks: This company is known for its fun and quirky brand, which is reflected in its commitment to employee happiness. The company offers free yoga classes, massages, and a "fruit tower" filled with healthy snacks. In addition, the company is committed to using sustainable and ethical business practices.
3. The Co-operative Group: This company is a co-operative, which means it is owned by its members. The company is committed to ethical business practices and values such as social responsibility and sustainability. In addition, the company offers a range of benefits to its employees, including a pension plan and opportunities for career development.
4. BrewDog: This craft beer company is known for its commitment to its employees, who are called "crew members." The company offers a range of benefits, including a living wage, health care benefits, and paid time off. In addition, the company is committed to sustainability and ethical business practices.

These are just a few examples of UK organisations that prioritize happiness for customers and employees. Each company has its own unique approach, but they all share a commitment to people over profits.

[Should governments consider measuring happiness rather than GDP?](#)

There is a growing movement to prioritize happiness and well-being over GDP as a measure of societal progress. The argument is that GDP does not capture important aspects of well-being, such as social relationships, mental health, and environmental sustainability. Instead, proponents of happiness-based measures argue that policies should be designed to promote human flourishing and overall well-being.

Several countries have already begun to experiment with happiness-based policies. For example, Bhutan has implemented a Gross National Happiness index, which measures factors such as psychological well-being, community vitality, and environmental sustainability. Other countries, such as New Zealand and Scotland, have also expressed interest in prioritizing well-being over GDP.

However, there are also potential challenges to prioritizing happiness over GDP. For example, it can be difficult to measure and define happiness, and there may be disagreement over what factors should be included in happiness-based policies. In addition, there may be economic trade-offs to prioritizing happiness, such as slower economic growth or higher taxes.

Overall, the question of whether governments should prioritize happiness over GDP is complex and multifaceted. While there are potential benefits to prioritizing well-being, there are also potential challenges and trade-offs to consider. Ultimately, the decision of whether to prioritize happiness over GDP will depend on a variety of factors, including cultural values, political priorities, and economic circumstances.

[Have there been any financial experiments on the impact of promoting happiness?](#)

There have been some financial experiments on the impact of promoting happiness over profit. For example, a study by the University of Warwick found that happy employees were 12% more productive than their unhappy counterparts. In addition, a study by Harvard Business Review found that companies with high employee satisfaction and customer satisfaction outperformed their competitors in terms of revenue growth and profitability. However, it is worth noting that these studies do not necessarily prove that promoting happiness over profit is always the best approach, as there may be other factors at play. Ultimately, the impact of prioritizing happiness over profit may vary depending on the specific context and circumstances of the organization.

Furthermore, some companies have implemented programs that prioritize employee well-being and happiness as a means of increasing productivity and profitability. For example, Google is known for its employee wellness programs, which include on-site gyms, meditation classes, and healthy food options. The company also offers generous parental leave policies and opportunities for career development and growth. As a result, Google consistently ranks as one of the top companies to work for, and has seen significant financial success.

Another example is Zappos, an online shoe and clothing retailer that prioritizes employee satisfaction and happiness. The company offers a unique culture that values employee input and feedback, and provides opportunities for personal and professional growth. Zappos has consistently been recognized as one of the best places to work, and has seen significant financial success as a result of its happy and engaged employees.

However, it is worth noting that promoting happiness over profit is not a one-size-fits-all approach, and may not be appropriate for every organization. Some companies may need to prioritize profitability over employee and customer satisfaction in order to remain competitive in the market. Additionally, there may be trade-offs and challenges associated with prioritizing happiness, such as higher costs related to employee benefits or slower revenue growth.

Summary

In summary, while there is evidence to suggest that prioritizing happiness over profit can lead to financial success for some organizations, it is not a guarantee of success in every context. Companies should carefully consider their unique circumstances and goals when deciding whether to prioritize happiness over profit, and should be prepared to make trade-offs and adjustments as necessary.

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